

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 73 of 2022
Date of Order: 21.12.2022

Petition for the approval of True-up of ARR for FY 2021-22, Annual Performance Review for FY 2022-23 for Transmission Business and SLDC, under Section 62, 64 and 86 of the Electricity Act, 2003 read with the Regulation 11, 12 and 13 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019 as amended from time to time and approval of forecast of ARR for Transmission Business and SLDC for the 3rd Control Period from FY 2023-24 to FY 2025-26 and determination of Tariff for Transmission Business and SLDC for FY 2023-24 under Section 62,64 and 86 of the Electricity Act, 2003 read with Regulation 10 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2022.

AND

In the Matter of : Punjab State Transmission Corporation Limited, Regd. Office PSEB Head Office, The Mall, Patiala- 147001.

.....Petitioner

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

ORDER

The petition has been placed before the Commission for admission.

On a perusal of the petition, the deficiencies/ further information required in the petition are as under:

1. Formats and Annexures: PSTCL to submit all the formats in MS Excel format for FY 2021-22 and FY 2022-23 and Multi Year Tariff for Control Period FY 2023-24 to FY 2025-26.
2. Audited/ Provisional Accounts: PSTCL to submit the following
 - i. Complete annual audited accounts for FY 2021-22 (Annexure-I to the Petition) signed/certified by the auditor and actual provisional accounts for H1 of FY 2022-23 (in MS Excel format including Trial Balance for FY 2021-22 and H1 of FY 2022-23).

- ii. Provisional Cost Accounts and Cost Audit Report for FY 2022-23 and Audited accounts for the same need to be furnished as soon as they are available.
3. Capital Expenditure and Capitalization
- i. In format T15, Unforeseen work at Sr. No. 188 & 189 has been described as “CWIP received” and “Change of phase” with no other details and capital expenditure of Rs. 14.99 Crore and Rs. 0.40 Crore has been submitted against these works. Also, PSTCL has submitted unforeseen works from Sr. No. 177 to 189. PSTCL to submit specific details of all these works.
 - ii. In format T15, PSTCL has submitted schemes at Sr. No. 190 to 294 in which no approval of the Commission has been specified. PSTCL needs to submit either the approval of the Commission for these works or specify whether these schemes are of emergent nature approved by BoDs.
 - iii. PSTCL has submitted own funding of PSDF after Sr. No. 294 as Rs. 9.06 Crore for FY 2021-22 but has not submitted the scheme details. PSTCL to submit the scheme wise details of the own funding and grants received.
 - iv. PSTCL to submit the details of assets directly transferred to GFA amounting to Rs 28.40 crores during FY 2021-22 as submitted in Table 14 of the Petition.
 - v. PSTCL to submit the Fixed Asset Register (FAR) prepared for FY 2021-22.
 - vi. PSTCL to submit a detailed list of assets decapitalized in FY 2021-22.
4. O&M Expenses: PSTCL has worked out the K factor for working out the A&G expenses when as per Regulation 26 of PSERC Regulation 2019, K factor is to be worked out only for R&M expenses. PSTCL to explain why the methodology has been changed from previous years (as also worked out in CIP for third control period) for calculating A&G expenses in this petition .
5. Interest Charges:
- i. PSTCL has submitted only weighted average rate of interest for calculation of interest rate for long term loans. Loan master depicting opening , addition, repayment , closing loan and interest paid may be provided to calculate the actual rate of interest as per Regulations 24 of PSERC Regulations 2019.
 - ii. PSTCL to submit the calculations for funding requirements and loans for spillover and new schemes separately as per the methodology approved by the Commission in previous orders. Reasons for not claiming funding SLDC schemes through equity.
 - iii. PSTCL needs to explain why the methodology of repayment of loan has been changed for FY 2021-22 and FY 2022-23. As per Regulations 24 of PSERC

Regulations 2019 repayment for each year shall be deemed to be equal to the depreciation allowed.

- iv. PSTCL to explain reasons for not claiming funding of spillover schemes for Transmission business through equity.

6. Depreciation:

- i. As per MYT Regulations, Depreciation shall be calculated annually as per straight-line method over the useful life of the asset. Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation/ put in use of the asset shall be spread over the balance useful life of the assets. The details of depreciation for FY 2021-22 be provided in light of the aforesaid regulation incorporating the following:
 - a) Details may be prepared head-wise for all assets with further break up of each asset to account codes.
 - b) The details may be furnished separately for Transmission Business & SLDC Business
- ii. PSTCL to submit a detailed list of assets completing 90% of depreciation for FY 2021-22 (actuals), FY 2022-23 (estimated) and FY 2023-26 (estimated).

7. Late payment surcharge

- i. PSTCL has subtracted financing cost of Late payment surcharge received from PSPCL. Calculation of financing cost to be provided.
- ii. PSTCL has subtracted financing cost of Late payment surcharge received from NRLDC on rebate on early payment. Calculation of financing cost to be provided.

8. Input and Output Energy

- i. With regard to Transmission Availability and Losses, in Annexure-II, PSTCL has submitted the details of energy. PSTCL to further submit the following:
 - a) The detailed calculations of the energy inflow into PSTCL system and Energy outflow from PSTCL system clearly indicating energy inflow and outflow from/to various generators, PSPCL, inter-state points and other such points.
 - b) Submit the reconciled/validated energy inflow/outflow from PSPCL.

Transmission Capacity: In format T22, PSTCL has submitted the details of transmission capacity from FY 2021-22 to FY 2025-26. The same be got reconciled with/validated from PSPCL.

- 9. In para 4.14, PSTCL has indicated ULDC Charges of Rs. 12 Crore for each year of 3rd MYT & further indicated ULDC II, ULDC III & FOCS charges of Rs. 1.5 Crore, Rs. 3.5

Crore and Rs. 3.5 Crore respectively for each year of 3rd MYT. PSTCL to provide details of these charges.

PSTCL to provide a soft copy (in MS Excel format) for all the above submissions.

Keeping in view the fact that the tariff has to be finalized before the start of the next financial year, the Commission decides to admit the petition with the directions to PSTCL as under:

- i) PSTCL shall submit reply to the deficiencies/ additional information without any delay.
- ii) A public notice containing highlights of the ARR shall be issued, inviting objections from the public/stakeholders on the petition as required under Regulation 67 of the PSERC (Conduct of Business) Regulations, 2005,. The public notice be got published in five widely circulated daily newspapers (English, Hindi and Punjabi), immediately.
- iii) PSTCL shall ensure availability of legible copies of the notice/ARR petition for public scrutiny in adequate numbers in all the offices mentioned in the public notice. Due co-operation and courtesy may be extended to the public for their inspection and perusal of the documents/material so as to avoid any complaint from public regarding non-availability or non-accessibility. Arrangements may also be made to ensure sale of documents to interested parties on payment basis subject to maximum of Rs 300/- per set.
- iv) Replies to the objections in response to the public notice may be prepared and sent to the Commission (twelve copies) within seven days of receipt of each objection, with copies to the objectors.

PSTCL shall be intimated separately for submission of any other information necessary for adjudication of the petition.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: 21.12.2022